

BILL # SB 1104

SPONSOR: Waring

PREPARED BY: Steve Schimpp

TITLE: TAPBI program; expansion

STATUS: Senate Engrossed

FISCAL ANALYSIS

Description

The bill would expand the Technology Assisted Project-Based Instruction (TAPBI) program by adding 10 new sites (5 school districts and 5 charter schools) to the program. (Currently 7 school districts and 7 charter schools participate in TAPBI.) The bill would require the new sites to include in their Average Daily Membership (ADM) counts only students who were enrolled in a school district or charter school in the prior school year. It also would require the Arizona Department of Education (ADE) to multiply the ADM counts for the 10 new sites by 80%, which would provide 20% less funding for them per pupil. In addition, for all TAPBI sites (new and existing), the bill would prohibit summer school ADM from being included in their overall ADM count unless summer school was part of their normal school year.

Estimated Impact

The fiscal impact of the bill cannot be determined. It would be expected to reduce state costs by eliminating TAPBI-related summer school and by providing 20% less Basic State Aid funding to pupils at the 10 new sites. The amount of savings from these changes cannot be determined, however, because 1) separate summer school ADM data for existing TAPBI sites are not available; 2) the number of ADM pupils who will attend the 10 new sites is unknown; and 3) ADE's computer system currently lacks the ability to perform complex ADM adjustments for TAPBI, as would be required in order to capture potential savings under the bill.

Analysis

The TAPBI program is authorized by A.R.S. § 15-808, which provides K-12 instruction through Internet based courses. TAPBI sites receive state funding through the same Basic State Aid formula that funds public schools in general based on their ADM counts. The bill would be expected to reduce statewide ADM, producing a state savings. The amount of savings cannot be determined, however, for reasons explained below.

New Sites

The bill would authorize 10 new TAPBI sites, which would increase statewide TAPBI ADM by an unknown amount. This would not be expected to increase state costs, however, because the bill stipulates that the new sites could only include in their ADM counts pupils who were enrolled in public schools in the prior year. It therefore would shift ADM between public schools, rather than increasing overall statewide ADM. In addition, the bill would fund ADM at the 10 new TAPBI sites at 80%, which would reduce state costs by approximately \$1,100 per pupil (\$5,450 estimated average Basic State Aid cost per ADM pupil for FY 2009 X 20% reduction = \$1,090). The net savings from this portion of the bill, therefore, would depend on the number of students served by the 10 new sites. That number is unknown, however, as it would depend on which sites were selected, the scale of their intended programs and whether those programs would be fully operational in FY 2009 (the first year that they would be authorized under the bill). The 14 current sites serve approximately 7,500 ADM pupils (FY 2007 data).

Summer School

The bill would prohibit TAPBI sites from including in their ADM counts students who attend TAPBI summer school programs, unless those programs were part of the site's normal 180 day school year (or 200 day school year pursuant to A.R.S. § 15-902.02). This would reduce statewide ADM for TAPBI programs, as the Auditor General's October 2007 report on TAPBI indicated that ADE does not consider TAPBI summer enrollments to be subject to a 1.0 ADM limitation per student per 12 month period, so can be funded in addition to "regular" school year funding. The amount of savings from this portion of the bill is unknown, however, as separate ADM data for TAPBI summer school programs are not available. The

savings could be substantial, however, as the Auditor General noted that students currently have an incentive to enroll in TAPBI summer school programs because they do not charge tuition. Summer school programs offered by non-TAPBI public schools do not qualify for Basic State Aid funding and, therefore, typically do charge tuition.

SAIS Issues

The October 2007 Auditor General report on TAPBI indicated that the ADE Student Accountability Information System (SAIS) that processes ADM data currently is unable to allocate ADM on a shared basis for pupils who attend both a “brick and mortar” and TAPBI site during the same year, as is required by law. The report further noted that about 6,800 TAPBI students, therefore, were funded at an average of 1.17 ADM each in FY 2006, resulting in an additional state cost of about \$6.4 million that year.

ADE staff indicate that the agency is committed to modifying SAIS in order to enable it to make the required ADM adjustments for students who are enrolled in both a “brick and mortar” and TAPBI site during the same school year. The agency is unsure, however, as to when it will be feasible to complete the modifications due to the complexities involved. As a result, it is unclear when the state would begin to realize savings under the bill for the issues described above.

Local Government Impact

Existing TAPBI sites would no longer receive funding for their summer school programs, unless those programs were part of their regular (typically 180 day) school year. They also potentially would lose ADM to the 10 new TAPBI sites.

School districts and charter schools that currently do not have TAPBI programs, but that established TAPBI sites under the bill, would experience Basic State Aid funding increases.